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16 February 1965

MEMORANDUM FOR: Acting Director of Central Intelligence

**SUBJECT: Letter from Mr. McCone to Mr. Vance,
5 February 1965**

1. The language of the NRO Agreement of 13 March 1963, with respect to budget presentations to Congressional committees, permits McMillan to take some of it out of context to support the view he expressed to Vance that our 5 February letter is incorrect. However, when the pertinent paragraph is read in its entirety, it is perfectly clear that CIA has a definite responsibility for such budget presentations.

2. The pertinent paragraph of the agreement is III. K. This reads in its entirety as follows: (The NRO, under its Director, is responsible for ...)

"Preparation of budget requests for all NRO programs, and presentation and substantiation of such budget requests to the Secretary of Defense and the Director of Central Intelligence, the Bureau of the Budget and Congressional Committees. CIA will include in its budget presentation to the Bureau of the Budget and Congressional Committees the funds for those NRP tasks which are assigned to CIA and which are to be financed from NRO resources."

As you can see, the first sentence if it were to stand alone would support McMillan's contention. General Stewart's letter of 30 December 1964, addressed to the Director of Security, CIA, quotes this sentence verbatim, except that he leaves out the word "presentation," the inclusion of which would have strengthened

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his case. The fact remains, however, that they ignore the second sentence of paragraph III. K.

3. The 5 February letter does not say that the 1963 agreement requires a joint DOD-CIA presentation to the Congressional committees. It says "In view of our joint interest in the National Reconnaissance Program, it seems to me that ... Defense Department and CIA should jointly present" Further, the letter says plainly that last year there was a general discussion with Senator Russell, and that Mr. McCone hopes that this concept of a joint presentation can be extended to all discussions of the subject with the Congress. There is no contention made that last year's discussions represented a true joint presentation.

4. More basic than the apparent attempts by McMillan and company to read into the 5 February language meanings that are not there, or than their attempt to quote the agreement out of context, is the matter of communications with CIA on the NRP budget. Despite Fubini's protestations to Bross that the budget was given to the Agency last fall, this is simply not true. John accepted Fubini's challenge to eat the appropriate papers if they had in fact been received here, but there is no prospect that he will have to undergo this gastronomic ordeal. Of course even when the budget was received here, in late January, it reflected as accomplished facts actions on issues that had never been agreed. This point too is made in the second paragraph of the 5 February letter. If we want to go back to the legalities of the 1963 language, this action is in direct violation of paragraph V. A. 1., which reads in part: "... the Director, NRO, shall ... keep (SecDef) and the DCI currently informed In addition he shall keep ... officials of ... CIA ... personally informed on a regular basis, or on request, on the status of projects"

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